

# Green Power Market Development Group

The background of the slide is a dark blue gradient. On the left side, there is a faint, semi-transparent image of a wind turbine. On the bottom right side, there is a faint, semi-transparent image of solar panels.

World Resources Institute  
Johnson & Johnson  
July 31, 2001

# Green Power Market Development Group

Alcoa

Cargill Dow

Delphi Automotive

DuPont

General Motors

Kinkos

IBM

Interface

Johnson & Johnson

Pitney Bowes

GREEN POWER MARKET DEVELOPMENT GROUP

# Goal

1000 Megawatts of New,  
Cost-Competitive  
Green Energy Capacity by 2010

Approximately 7% of the the Group's  
collective energy demand

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# Energy Procurement Becoming a Source of Competitive Advantage

## *OLD MODEL*

- Homogeneous electricity supply
- Limited fuel and technology choice
- Limited on-site generation opportunities
- Similar risk and cost structure for all customers

## *NEW MODEL*

- Heterogeneous supply
- More fuel and technology choice
- More on-site opportunities
- New and different risk and cost profiles are possible

# Common Aims and Interests

- Find cost-competitive green energy
- Demonstrate leadership
- Achieve energy diversity
- Improve the environment
- Bring markets to maturity
- Enhance competitiveness

# Values and Attributes

- Cost
- Pollution prevention & trading value
- Environmental value
- Public relations and reputation (branding)
- Government relations
- Investor relations
- Employee relations

# Progress to Date

- Research
- Strategies: national, regional, local
- Supplier outreach
- Policy education



# New Risks and Opportunities

Diversity necessary:

- ◆ For purely economic rationale
  - ◆ hedge against fuel price fluctuation
  - ◆ peak shaving
  - ◆ distributed power
- ◆ To anticipate and reduce exposure to regulatory changes
  - ◆ climate
  - ◆ conventional pollutants



# Market Challenges

- Price vs. Value - what needs to be in the value equation for business purchases?
- Suppliers need to move beyond PR value as reason for corporate action.
- Production Tax Credits, and Renewable Energy Funds essential to create level playing field
- Green attributes must have monetary value over time

# Procurement Challenges

- Energy managers do not have a mandate to include renewables in their energy portfolio
- Industrial energy prices
- Size of the projects
- Pricing structures



# Our Motivation

## WWF “Climate Savers” Goal

- ① GREENHOUSE GAS EMISSIONS REDUCTION TARGET:
  - ♦ 4% reduction by 2005, 7% reduction by 2010 (1990 base year)

## CORPORATE WIDE GOAL

- ② 100% COMPLETION OF ENHANCED BEST PRACTICES

## INDIVIDUAL FACILITY GOAL

## EPA Green Power Partnership

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# Why commit?

"You miss 100% of the shots  
you don't take."

- Wayne Gretzky

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# Our Signal

## Since 1998...

### ① **PURCHASING**

Requested pricing option for 15% (or more) green energy as part of fuel mix in all RFP's

### ② **ENVIRONMENTALLY FRIENDLY ENERGY**

Vigorous pursuit of on site generation worldwide

### ③ **PARTNERSHIP**

Founding member of the Green Power Market Development Grp

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# Results!

## ① **PURCHASING:** "None!"

## ② **ENVIRONMENTALLY FRIENDLY ENERGY**

- NEUTROGENA: 200 kW PV System in LADWP territory
- CORDIS USA: 1st major installation on east coast for J&J
- CALIFORNIA: Possible 780kW PV, largest in world?
- JANSSEN, BELGIUM: 1.5MW wind installation onsite

## ③ **PARTNERSHIP**

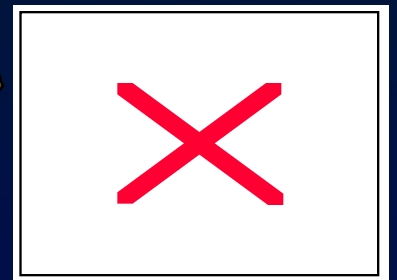
A work in progress...



*Johnson & Johnson*

**Be a Pioneer!**

**One size does not fit all!**




## **MARKETING 101**

- Know end-user motivation
- Continually educate as to how your product benefits the consumer
- Must utilize unconventional ways to denominate benefits

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# Future

- Group is building partnerships with utilities, developers, financiers, power marketers and policymakers
- Share lessons learned with other green power groups
- Announce projects Fall 2001

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**Visit our revised website  
with our new “buyers  
guide” and track the  
Group’s work to date:**

***[www.thegreenpowergroup.org](http://www.thegreenpowergroup.org)***